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More trade deals needed to help create jobs: Obama

Tue, Mar 12 2013

By [Doug Palmer](#)

WASHINGTON (Reuters) - President Barack Obama said on Tuesday that forging new trade deals with Europe and 10 countries in the Asia-Pacific region would be an important part of his second-term agenda to spur economic growth and create jobs.

"What we know is that a lot of the growth, a lot of the new jobs that we've seen during the course of this recovery have been export driven," Obama said at a meeting of the President's Export Council, which brings together corporate leaders and members of Obama's Cabinet to discuss trade issues.

"The question now becomes how do we sustain this momentum. Part of it is making sure we get in place strong trade deals."

The statement reflected how far Obama has moved on trade since early in his administration, when he frustrated many business leaders for not moving quickly to enact free-trade pacts with Colombia, Panama and South Korea left over from Republican President George W. Bush's administration.

Obama submitted those deals to Congress for approval more than two and a half years into his first term and only after making changes to shore up support among fellow Democrats.

A 'MOST AMBITIOUS AGENDA'

Now, his administration hopes to finish talks on the proposed Trans-Pacific Partnership with 10 countries in the Asia Pacific region by the end of the year and to start free-trade talks with the 27-nation European Union by June.

"If we succeed ... we will have created free trade with two-thirds of the world, both by GDP and by global trade," the White House's international economic affairs adviser Michael Froman told the group. "That will be perhaps the most ambitious trade agenda we've seen in a while."

U.S. Trade Representative Ron Kirk, who is leaving his job soon to return home to Dallas, said the White House would formally notify Congress shortly of its plans to negotiate the U.S.-EU trade deal, a procedural step that allows lawmakers to weigh in before actual talks begin.

The talks are expected to be tough because of different approaches to food safety and other regulatory issues that have blocked exports of U.S. farm products and other items to Europe.

Obama said he believes Europe's economic slump has made it "hungrier for a deal" than in the past and therefore more willing to address U.S. concerns.

EU Trade Commissioner Karel De Gucht said on Tuesday he would ask the 27 EU countries to approve his draft negotiating mandate, which will set out how much room for maneuver he has in his talks with Washington.

"I hope that member states will now quickly decide to open negotiations so work can begin with the United States ahead of the summer break", De Gucht told a news conference at the European Parliament in Strasbourg, France.

The Commission also released a study by the London-based think tank, the Center for Economic Policy Research, showing that a free-trade pact could generate 119 billion euros (\$155 billion) a year for the European Union and 95 billion euros a year for the United States.

That translates on average to an extra 545 euros in disposable income each year for a family of four in the EU and \$854 per family in the United States.

According to the study, carmakers would likely be the biggest beneficiaries of an accord, because of the current high tariffs and differences in regulation on both sides of the Atlantic. Processed foods, chemicals and transport equipment would also see increases in sales, the study found.

NO TRADE NOMINATIONS YET

Despite the emphasis Obama is putting on trade in his second term, he has not yet nominated a replacement for Kirk, or for former Commerce Secretary John Bryson who left the administration last year because of a health problem.

Rebecca Blank has been serving as acting commerce secretary, but she recently interviewed for the position of chancellor at the University of Wisconsin-Madison, suggesting she may also leave the administration soon.

Froman, who has been a driving force on trade policy from his position at the White House, noted that the United States' negotiating



agenda leaves out many important emerging economies like China, India, Brazil and South Africa.

"But we are very much prepared to work with them when they're ready to come to the table and play the role that we think they should play in the global economic system," he said.

The United States has criticized major emerging countries for not making better offers to open up their markets in the long-running Doha round of world trade talks.

Despite the impasse in the broader Doha negotiations, the United States hopes World Trade Organization members can reach a smaller "trade facilitation" deal to cut red tape in customs procedures by the end of the year, Froman said.

(Additional reporting by Robin Emmott in Brussels; Editing by Christopher Wilson and David Brunnstrom)

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